

D R A F T

27 July 1954

STAFF MEMORANDUM

Subject: History of the Intelligence Working Group (IWG)

I. Organization and Mission of IWG

The Intelligence Working Group (IWG) has furnished direct intelligence support to the Economic Defense Advisory Committee (EDAC) and its member agencies for the past two years. This interagency working group was established (IAO-D-53/1 of 25 July 1952, as amended) as a result of an agreement between the Director of Mutual Security (now DSA), the Secretary of State, and the Director of Central Intelligence, and with the concurrence of the Secretary of Defense. Its mission has been "to develop and furnish intelligence to the EDAC for policy making and operations in the economic defense field"...."and to develop closer continuous relationships among the operational, policy-formulation, and intelligence-research elements engaged in the economic defense program."

Administratively, the IWG has served as the focal point of U.S. intelligence support for economic defense activities and as the medium of interagency collaboration. Substantively, it has acted as a supplementary service facility for the review, coordination, and production of timely intelligence not exclusively within the mission or responsibilities of any existing agency or interagency group. Intelligence produced by the IWG has been directly applicable to current or impending problems of economic defense policy or operations.

One of the fundamental objectives in the establishment of the IWG was to provide at the working level an interagency mechanism for drawing directly upon the resources of all components of the intelligence community

~~CONFIDENTIAL~~

in the production and coordination of intelligence in direct support of the EDAC. To this end, representatives were designated from CIA and from the intelligence sectors of the Departments of the Army, Navy, Air Force, and State. Membership was also extended to the Office of the Secretary of Defense, Foreign Operations Administration, the Office of the Administrator for Mutual Defense Assistance Control, and the Departments of Commerce, Treasury and State (Economic Defense Staff and Office of Munitions Control).

25X1

## II. IIG Activities and Accomplishments

Since its inception the IIG has given consideration to 75 "cases" or problems formally placed before it by member agencies. Thirty-six studies covering the intelligence aspects of commodity, financial and shipping problems in the economic defense field have been completed under IIG auspices. Additionally, 40 information documents of current significance, primarily concerning movements of specified vessels and/or diversions of strategic commodities to Soviet destinations, have been issued.

25X1


Under its assigned mission of improving the collection and utilization of intelligence and of mobilizing economic data relevant to EDAC needs, the IIG has been responsible for several noteworthy achievements:

Its recommendation for the establishment in CIA of a unit to process current economic defense intelligence and to collate such intelligence for use of operating agencies has been implemented. IEG channels have been used for the distribution of 66 items of current intelligence produced by this IEG-sponsored unit and provided to the recently established Diversion Control Net (DCN). An IEG paper published in June 1953, pointing out inadequacies and deficiencies in the COMCON statistical reporting system, was used as the basis for preparation of instructions to the U.S. Delegate to COMCON. Preparation of recommended instructions to the field for the lateral distribution of current intelligence on suspected diversion of controlled commodities to the Soviet bloc was coordinated through the IEG. Fifteen subgroups have been established to provide IEG and EDAC with specialized research and technical advice in specific fields of economic defense. A Commodity Analysis Checklist was prepared to be used as a guide by member agencies in preparing intelligence contributions required for determining the significance of specific commodities to the Soviet war potential. An exhaustive examination was made of the need for intelligence in the U.S. Government on external financial operations of the Soviet bloc.

IEG efforts to establish a comprehensive pattern of U.S. Government instructions for the collection of economic defense information have not yet been successful. This problem has become more urgent in terms of the needs of the enforcement program for adequate and timely intelligence on diversions of strategic commodities to the Soviet bloc. The basic reason for inadequate intelligence to serve EDAC requirements has been (and continues to be) the low priority assigned to collection of this

type of intelligence by covert collectors. The IIS operation also has encountered difficulty in obtaining from the military services adequate information to clearly point up the direct, or close indirect, military use in the Soviet bloc of items on the security export control lists.

25X1A9A

  
Executive Secretary  
Intelligence Working Group

25X1

